

# BANK EXAMINER MILLER SAYS STATE BANK IS INSOLVENT

## Rehabilitation Is Sought By Directors and Depositors

Three of the active agents in the rehabilitation of the State Bank and Trust Company were here yesterday from Goldfield, returning to that burg in the afternoon. The men were U. S. District Attorney Samuel Platt, who has been engaged as special counsel for the reorganization forces; James T. Shaw, chairman of the Reorganization Committee, and James T. Davis, cashier of the State Bank and Trust Company. These gentlemen called on Cashier Cushman of the local institution, and before leaving for Goldfield, Mr. Platt gave out the following statement on behalf of the rehabilitation committee:

This work of reorganization was inspired by Mr. Wills Brougher, one of the directors of the State Bank and Trust Company. It was commenced on Mr. Rickey's failure to make good, and of the absolute loss of confidence in his business management. Every opportunity was given Mr. Rickey to keep promises given to the stockholders, directors and depositors of the bank, and it was for this reason that delay was tolerated by Mr. Brougher and the members of the board of directors.

The directors were acting in accordance with public opinion, which was to the effect that Mr. Rickey should be given every opportunity to pull the bank out; and it was not until he had shown that every promise made was false, and that every statement for reorganization was a misrepresentation, that Mr. Brougher was determined that Mr. Rickey should be thrown down and out, and some definite steps taken looking toward the protection of the depositors' interests. As a result, a new reorganization movement was started, and although but two weeks have elapsed, so much work has already been accomplished that there is every reason to believe that it will result in the banks opening their doors and that the depositors will be paid dollar for dollar. Whether the movement is a success or not depends on the co-operation of the depositors.

It is necessary that those who have not signed the agreement do so immediately, in order that every opportunity may be afforded to successfully accomplish the work in hand.

Mr. Brougher was especially represented by Mr. James T. Shaw, to whom a great deal of credit is due for the work accomplished thus far. The present status of affairs, in order that it may be thoroughly understood, is as follows:

When it was ascertained that somebody besides Mr. Rickey should take the matter in hand, an effort

was made to interest some individual with sufficient financial backing to finance the movement. Mr. Mackenzie of Goldfield came to Carson for the express purpose of investigating local conditions as affecting his deposit, which, by far is much greater than that of any other depositor. He believed that the situation could be saved if someone in earnest would take the matter in hand, and he offered to loan the proper man \$100,000 at 4 per cent per annum if he would consent to give his best efforts toward rehabilitating the bank. This offer remained unaccepted. As a last resort, a committee of the stockholders, headed by Mr. Shaw, implored Mr. Mackenzie to take charge of affairs, himself. This he repeatedly declined to do, and it was only when condition reached such a stage that a receivership could not be avoided that Mr. Mackenzie finally consented to put his shoulder to the wheel, together with other depositors, and to use his own personal efforts to save, not only his own deposit, but that of every other person in like condition.

Mr. Mackenzie agreed to pay every depositor 10 per cent of the amount of their deposit at the end of ninety days from date of the opening of the bank, and he to assume personal liability of \$150,000 in keeping this agreement.

This is something more than a verbal promise; the agreement has been put in writing, and is absolutely secured by good and sufficient collateral, so that the payment of the first 10 per cent is an absolute certainty. As a part of this written agreement, Mr. Mackenzie has pledged that no part or portion of the \$87,000.00 cash funds now on hand in the bank shall be used in the payment of this first 10 per cent payment.

He expresses every confidence that if the depositors will sign up and aid

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## Startling Testimony at the Preliminary Hearing of T. B. Rickey, Former President of the Defunct Institution, Who Is Charged With Embezzlement.

CARSON, Nev., Feb. 17.—The preliminary hearing of Thos. B. Rickey, president of the State Bank and Trust Company, on a charge of embezzlement, was held this afternoon. The prosecution, which is being handled by District Attorney Roberts, assisted by Attorney General Stoddard, is attempting to show by the evidence that deposits were taken by the bank with the knowledge that the bank was insolvent. A number of witnesses were placed on the stand who testified that they placed deposits in the bank as late as October 22. The bank closed on the 23d. The witness of the day was Bank Examiner Miller, who testified that his report, as summed up, is that the bank is insolvent, that the liabilities exceed the assets.

## RESUMING WORK AT KANSAS CITY

(By Associated Press.)  
KANSAS CITY, Feb. 17.—The Kansas City Bolt and Nut Works, which have been shut down since January 1st on account of financial conditions, resumed work today with a force of 600 men. The Kansas City Cotton Mills, employing 250 hands, resumed today, as did a number of smaller manufacturing plants.

## FRANCE HAS BETTER PROTECTION

(By Associated Press.)  
PARIS, Feb. 17.—The commission sent by the French government to the United States to investigate mining disasters, has returned and made its report. It declares precautions to prevent gas explosions in mines, and other wise safeguard the lives of the miners are less effective in the United States than in France.

## HEAVY SHOCK FELT IN SITKA

SEATTLE, Wash., Feb. 17.—A heavy earthquake shock at Sitka, Alaska, at 2:30 o'clock this morning caused much alarm in the town and interrupted cable communication between Sitka and Valdez. Only brief reports of the shock have been received here, but it is said that the center of the disturbance was west of Sitka and was unusually heavy.

## THREE KILLED ON FRENCH CRUISER

(By Associated Press.)  
PARIS, Feb. 17.—Advises have been received here from Rear Admiral Philibert that the bursting of a steam pipe aboard the French cruiser Descartes, off Casa Blanca, resulted in the death of three men and the injury of three others.

BOMB EXPLOSION.  
(By Associated Press.)  
BARCELONA, Spain, Feb. 17.—Two bombs exploded here today, killing one woman, wounding another and a child.

## NIGHT RIDERS AT DASTARDLY WORK

HOPKINSVILLE, Ky., Feb. 17.—Night riders last night visited the farm of V. McKinney, in the northern part of Christian county, broke open a tobacco barn and rolled out two wagons heavily laden with tobacco. Under one of the wagons they built a fire and the wagon and its contents were destroyed. Dynamite was placed in the other wagon, but it failed to explode.

## RICH ORE IN PANAMA CANAL

HARRISBURG, Pa., Feb. 17.—Ore containing gold, silver and copper has been found in the celebrated Culebra cut of the Panama canal. This has been ascertained by chemical investigation at the laboratory of Colonel H. C. Demming, consulting State geologist in this city. Three lots of the ore were sent here for the investigation and in every one of them the three metals were found, one of the samples being considerably richer in the precious metals than the others.

Larger quantities are to be shipped to ascertain what the profits will be when the ores are properly worked up in bulk.

The belief here is that all the returns of rich ore will inure to the United States government.

## WILL SUE ESTATE FOR COUNSEL FEE

CHICAGO, Feb. 17.—James Hamilton Lewis, chief counsel for Mrs. Dora McDonald, the woman acquitted of the charge of murdering Webster S. Guerin, will file a claim in the Probate Court for \$25,000 against the estate of Michael McDonald for fees in conducting the successful defense of Mrs. McDonald.

Claims may also be filed for two leading associate lawyers. It is understood that they are to receive \$2000 each.

Colonel Lewis will demand that the executors and trustees turn over to him \$25,000, which amount, it is said, he will show was provided for in the contract with Michael McDonald, preceding his death last August, and he will also attempt to show that the contract was recognized under the will or trust arrangement concerning the property.

It is expected that any attempt to place the burden of the expense of the trial of Mrs. McDonald on the estate will be fought.

## MINERS TO BUILD SMELTER

MONTANA OPERATORS PREPARING TO FIGHT THE TRUST.

(By Associated Press.)  
HELENA, Mont., Feb. 17.—The Montana Mining Association tonight perfected its permanent organization by electing officers. M. I. Hewett was elected president; Thos. Greenough, vice-president; L. L. Lindemann, secretary; R. A. Bell, treasurer. President Hewett, in his speech of acceptance, declared that with the co-operation of the members of the association an independent smelter can be erected in the vicinity of this city in the near future. The convention decided to take steps "to protect the mine operators of Montana against the danger of ultimate control by the smelter trust."

## HUGHES LEAGUE IS ORGANIZED

NEW YORK, Feb. 17.—A declaration of support of the candidacy of Governor Hughes for President and prophesies of his election to that office were made by speakers tonight at a formal notification to General Stewart Woodford of his selection as president of the Hughes League of the United States, which took place at the Hotel Manhattan. In accepting the leadership of the Hughes League, General Woodford characterized the "Democratic party, hungry with long fasting, will do their best to get together and win the coming election."

## LABOR CRISIS IS OVER

FEDERAL TROOPS WILL NOT PROCEED TO FAIRBANKS, ALASKA.

(By Associated Press.)  
WASHINGTON, Feb. 17.—Conditions at Fairbanks, Alaska, where the Western Federation of Miners, it is alleged, had been deporting non-union men, were reported to the War Department today as "quiet." It is understood that no troops were sent to Fairbanks, that the order which went to the commander at Fort Gibbons instructed him to place himself in touch with the marshal at Fairbanks, and that should disturbance result, to use the troops to preserve order. The report today was taken to indicate that the crisis in the labor trouble had passed.

## DULLNESS HUNG OVER THE MARKET

(By Associated Press.)  
NEW YORK, Feb. 17.—Dullness and depression overhung the stock market today. Active operations which prompted price declines were largely at the hands of professionals of the room trading class. The sentiment which prompted their attitude was, however, quite generally prevalent and was a fair reflection on an unfavorable interpretation placed on the immediate events in the financial district and lack of hopefulness of an early betterment. There were some special incidents in the day's happenings which had a disturbing effect on the speculative sentiment. A new force was given to the fear of the government's prosecution of the Harriman railroad group by steps taken against the Southern Pacific for rebating offenses. Bonds were irregular.

## BREAKING OF DAM ENTOMBS COAL MINERS

(By Associated Press.)  
POTTSVILLE, Pa., Feb. 17.—Twenty-eight miners were imprisoned in the Mid-Valley colliery, near Mount Carmel, this morning by the breaking of a dam which had formed in the drift and which caused a rush of mud into the gangway where the men were working. All day long a party of rescuers endeavored to reach the entombed men and shortly after six this evening they were encouraged by sounds of digging on the inside.

Among the men are a number of experienced miners. It is believed that it will be possible to effect the rescue of all of them unless some met death by being smothered in the rush of mud when the dam broke. Seven of the number are Americans, the others being foreigners. The gangway where the miners are located is about 350 feet from the opening.

## GOLDFIELD MEN GO TO RAWHIDE

Goldfield has the Rawhide fever to such an extent that the men who were most prominent in bringing the home of the Mohawk before the public, are moving their business interests into the new gold fields. W. F. Bond, the well known broker, promoter and mine owner, is one of the first to get in and establish brokerage offices. Associated with him is W. S. Scott, of the firm of Scott and Ammon. R. L. Colburn is another of the Goldfield bunch who has interests in the camp. There also arrived last week Walter Cox, Gray Richardson and Frank O'Farrell, all formerly of Goldfield.

Joe Enzensperger of Goldfield has just bought two claims adjoining the Rawhide Consolidated, news of which was received by mail from Mr. Bond, and in person by George K. Allen, of the Royal Tiger Mining Company. Mr. Allen was an interested party in the deal. In fact the property was held by him and Dr. J. D. Grissim and Cleveland H. Baker, the latter two of this city.

"There is considerable inquiry for the Royal Tiger securities in Rawhide and from the outside," said Mr. Allen, "and the ground in that country is certainly looking good. There has been a big strike on the Royal Coachman, which is being operated by Messrs. Sutcliffe, Gilliam, Upham and Simpson. They have opened up three feet of ore which will go at the least estimate, \$125 a ton. This, as you can readily see, means a whole lot for that part of the camp, for there are a number of properties in the neighborhood which are being operated."

"The strike that was reported as having been made on the Murray lease is a bona fide strike, for I saw it myself. There is high grade ore in the bottom of the shaft, and the latter is far below the fifty-foot level. The Murray lease is one of the best

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